

In case you missed it, below is a [transcript](#) of Congressman Pence on CNN's Late Edition with Wolf Blitzer yesterday. The congressman appeared opposite House Foreign Affairs Committee Chairman Tom Lantos.

We're joined by key members of the House Foreign Affairs Committee. The committee chairman, Tom Lantos, is joining us from San Francisco. And with us here in Washington, Republican member Mike Pence of Indiana. Congressmen, thanks to both of you for coming in.

Mr. Chairman, I'll start with you, and I'm going to play a little clip of what you said this week in introducing Ryan Crocker, the U.S. ambassador to Iraq, and General David Petraeus, the overall commander in Iraq. I'm going to play your words back to you.

(BEGIN VIDEO CLIP)

REP. TOM LANTOS (D), CALIFORNIA: The fact remains, gentlemen, that the administration has sent you here today to convince the members of the two committees and the Congress that victory is at hand. With all due respect to you, I must say, I don't buy it.

(END VIDEO CLIP)

BLITZER: Now, within moments of your saying that, Mr. Chairman, General Petraeus said this in his opening remarks. Listen to this.

(BEGIN VIDEO CLIP)

ARMY GENERAL DAVID PETRAEUS, U.S. COMMANDER OF FORCES IN IRAQ: I wrote this statement myself and did not clear it with anyone in the Pentagon, the White House or Congress.

(END VIDEO CLIP)

BLITZER: All right. Mr. Chairman, tell us what you meant when you said, "With all due respect, I must say I don't buy it," because the implication, as you know, was that he was just doing the bidding of the White House.

LANTOS: Well, let me say first, I have the highest regard for General Petraeus and Ambassador Crocker. They are among our finest public servants with a remarkably distinguished military and diplomatic record.

What I don't buy is the continued insistence of this administration that things are going well, and that clearly was the essence of the testimony. This administration is attempting to unscramble the omelet. Mistakes made four years ago, three years ago, two years ago cannot be undone. This war has been mismanaged from the very beginning. We all know what the factors are, inadequate troops and unwillingness to nip the military activities by the terrorists early on. And four and a half into this -- four and a half years into this war, the notion that things can be turned around is very difficult.

BLITZER: But Mr. Chairman, let me interrupt and just -- I want to make it clear. Were you questioning the integrity of these two career professionals, a career diplomat in the name of Ryan Crocker and a career soldier, General Petraeus?

LANTOS: Of course not. I have the highest regard for both of them.

BLITZER: All right. What about that, Congressman Pence? What do you think?

REP. MIKE PENCE (R), INDIANA: Well, I have the highest regard for Chairman Lantos, but I do take exception to comments that he made at the hearing on a couple fronts. Number one is, Mr. Lantos said that General Petraeus and Ambassador Crocker had been sent to the committee. In fact, they'd been summoned by the Congress to come and to provide an independent assessment from our lead diplomatic and military men downrange about the situation on the ground. And they did that.

And on the second point, I clarified this again with General Petraeus in my question and answers, Wolf. He was quite emphatic that neither the Pentagon nor the White House had even seen or participated in the creation of this document.

BLITZER: All right. Let me let...

PENCE: The American people had an independent assessment, and that's what the Congress asked them to give them.

BLITZER: Let me ask Congressman Lantos to respond. The law did require that both these gentlemen appear before the Congress, and presumably they're going to come back in March and testify how things are going then? Is that right, Mr. Chairman?

LANTOS: Yes, it is. And I look forward to their testimony next spring. The fact remains that this administration is attempting to put forward two credible men, General Petraeus and Ambassador Crocker, to defend a discredited policy.

The fact that they wrote their own testimony, I certainly accept, but that their testimony is clearly attempting to support the administration's policy is not in doubt. Anybody who watched the hearing could see it very, very clearly.

BLITZER: You want to respond?

PENCE: Well, I really do. Because I really think what the American people got here was an independent assessment from our military and diplomatic leaders down range. They came to the Congress and they said despite the lack of political progress, the military surge is working. And it's working to such an extent that we're going to be able to substantially reduce our forces even by the summer of next year.

BLITZER: When you say substantially reduce, it's going to go down to where it was in January and February of this year, back to 130,000, 135,000 level.

PENCE: Well, that's exactly right. But Chairman Lantos, for instance, in his opening statement said that to remove a brigade would be a whisper. And just moments later, General Petraeus announced that he was removing five brigades from Iraq.

BLITZER: Between now and next summer.

PENCE: And as Secretary Gates has suggested, Wolf, conditions on the ground may make it possible for us to even remove more troops. But again, as the president said, it's return on success. The surge is working.

BLITZER: I'm going to get to all of that, but I'm going to let Chairman Lantos respond. Go ahead, Mr. Chairman.

LANTOS: Well, in the first place, the administration doesn't have much choice. The number of troops available to this administration is very limited, and unless they further extend the service of our men and women on the ground, they have to withdraw these forces which were sent in for the so-called surge.

I also think it's very important to bear in mind that the surge is not a goal in itself. The surge was designed by this administration to provide the Iraqi government with the political space to work out reconciliation, and they clearly failed in that.

BLITZER: And here's what Senator Chuck Hagel of Nebraska, a Republican, said during the hearing that the Senate Foreign Relations Committee had on Tuesday. Congressman Pence, listen to this.

(BEGIN VIDEO CLIP)

HAGEL: The president said let's buy time. Buy time? For what? Every report I've seen, and I assume both of you agree with this, there's been little, if any, political process that is the ultimate core issue, political reconciliation in Iraq.

(END VIDEO CLIP)

BLITZER: All right, do you disagree with him on that? Because the government of Prime Minister Nouri al-Maliki has failed to meet almost all of the so-called benchmarks that you and the administration have been demanding.

PENCE: Right. Well, I don't entirely disagree with Senator Hagel or the comments that Chairman Lantos made at the hearing. I'm frustrated that the national government in Iraq has not been able to move forward on a whole range of legislative initiatives that will bring about reconciliation, revenue oil sharing, de-Baathification.

But what we heard in the testimony from Ambassador Crocker and the general is that what they're not able to do in the central government in Baghdad seems to be beginning to happen -- de-Baathification, de facto de-Baathification -- at the local level. And we're starting to see

revenues flow out of Baghdad into Anbar province even without a national agreement.

BLITZER: All right. Congressman Lantos, what do you think?

LANTOS: Well, I think the administration is pursuing two fundamentally contradictory policies. On the one hand, they are attempting to create an Iraqi national government with national policies, but since it is not working, they are also cooperating with regional groups, most recently with the Sunnis in Anbar province.

Now, these two goals cannot be pursued simultaneously because they are at cross purposes, and if one looks ahead, it is perfectly possible that we are training both sides in an impending religiously- based civil war.

BLITZER: Here's some very disturbing, Congressman Pence, poll numbers that were conducted by ABC News, the BBC, NHK, and they were released this week. Among Iraqis -- they went out and asked Iraqis all over the country these questions.

On Iraqis who think the U.S. forces should leave now, in November 2005, only 26 percent said yes, American troops should get out. In March of this year, went up to 35 percent. In August of this year, last month, 47 percent, almost half of the Iraqis questioned, said it's time for the United States forces to leave Iraq.

And then they were asked this question, whether security in Iraq over the last six months has gotten better, worse or the same. Only 11 percent of Iraqis said the security situation is better, 61 percent said it's actually gotten worse over the past six months, 28 percent said it's stayed the same.

These numbers are not very encouraging based on what the United States is trying to achieve. The Iraqis themselves by and large are saying get out.

PENCE: Well, it's not surprising, though. In one of my first trips to Iraq, I remember asking an Iraqi leader in Basra what the opinion was about U.S. troops and he said Iraqis want American forces to leave and Iraqis want American forces to stay. They're of two minds about that.

And I think that the security situation on the ground -- not polling data, but the reality on the ground which, according to General Petraeus and other independent assessments, even The Brookings Institute, we've seen a significant decline in civilian deaths.

We've seen the security situation on the ground in Baghdad improve. And Al Anbar, despite the tragic loss of a courageous leader in Sheik Sattar earlier this week, the Anbar awakening has literally driven Al Qaida out of that region.

BLITZER: But you know what the response to that is, that if you take a look at what's happened on the ground in Iraq, Congressman Pence, over the past four-and-a-half years, you've 2 million Iraqis who have fled the country, a million basically to Syria, a million to Jordan.

Another 2 million have been displaced internally. They've left their Shia areas or their Sunni areas. They're living out. They're just trying to survive. And hundreds of thousands have been killed over the past four-and-a-half years. And who knows how many have been injured.

So the reduction over the past few weeks or months in some of the numbers -- and it's unclear whether there actually has been a reduction -- is in part the result that there are fewer people there, 10 or 20 percent of the country is gone.

PENCE: Well, I challenge people to take a look at what General Petraeus put forward. It was very accessible testimony, very accessible grasp, but also look at sources like the more liberal-leaning Brookings Institute that came out with very encouraging numbers as well.

Civilian deaths are down. The military surge is working. That's creating an environment where we're going to be able to start to bring our troops home even before the end of the year. And -- but all the choices are bad. Ambassador Crocker said that. All the choices going forward are bad, but they're still not as bad as the results of a rapid withdrawal.

BLITZER: All right. We're going to ask both of these congressman to stand by. We have much more to talk about right after this. We're also going to talk about the former Federal Reserve chairman, Alan Greenspan. He's famous for his complex, hard to understand statements when he was the chairman.

His comments now in a brand new book are very clear. They're very critical of the Bush administration. We're going to talk about that, a lot more with these two Congressman.

Also, later, Republican presidential candidate Rudy Giuliani had some tough words for the Democratic presidential front-runner, Hillary Clinton. Who won? Some of the members of our best political team are standing by to weigh in on that and a lot more. Much more "Late Edition" after this. (COMMERCIAL BREAK)

BLITZER: Welcome back to "Late Edition." I'm Wolf Blitzer in Washington.

We're continuing our conversation with two key members of the House Foreign Affairs Committee, the chairman Tom Lantos, Democrat of California, and Republican member Mike Pence of Indiana.

Alan Greenspan has a new book that has just come out, Chairman Lantos, entitled, "The Age of Turbulence: Adventures in a New World," in which he makes a very, very sharp charge about the war in Iraq.

I'll read it to you: "I am saddened that it is politically inconvenient to acknowledge what everyone knows. The Iraq war is largely about oil." Do you agree with him?

LANTOS: To a very large extent I agree with him, and I think it is very remarkable that it took Alan Greenspan all these many years and being out of office for stating the obvious. It is self-evident that this administration would not have taken the position it has had it not been for

the oil issue.

BLITZER: A lot of oil reserves in Iraq, as you know, Congressman Pence. Do you agree with Alan Greenspan?

PENCE: Well, I really don't, and I don't -- I was never in meetings where the chairman of the Federal Reserve was present during the run-up to the war. I was in many meetings where we discussed the 16 different U.N. resolutions that have been flouted by the Iraqi regime, the unwillingness to open up to U.N. weapons inspectors, the record on human rights.

BLITZER: Because you know a lot of people believe that the whole weapons of mass destruction was a charade. The real reason was oil.

PENCE: Right. I mean, but in point of fact, Saddam Hussein did have chemical weapons of mass destruction. He used them against the population of Kurdistan.

BLITZER: But that was in the '80s. That was in the '80s...

PENCE: It was, but...

BLITZER: ... before the first Gulf War.

PENCE: ... I don't think anyone really doubts today, Wolf, that if the government of Saddam Hussein was in place with everything that Iran is doing with the nuclear weapons program, that there would be a nuclear weapons arms race going on between those two countries.

BLITZER: Well, that raises a fair question to the chairman. Congressman Lantos, would the U.S. be better off right now had it never gone into Iraq and Saddam Hussein were still ruling that country? LANTOS: Well, Saddam Hussein ruling that country was a nightmare for the Iraqi people. But clearly, this was not the only way of removing Saddam Hussein.

Had this war -- even though it was based on a false premise, namely the existence of weapons of mass destruction, had it been conducted appropriately with sufficient forces, with a determination to put down the uprising early on, we would be in a very different situation.

What we have is a double dilemma. The administration created a set of false facts on which to justify the war and then conducted it with unbelievable incompetence. BLITZER: Let me get back to the book from Alan Greenspan, Congressman Pence. He really blasts the Bush administration, the president specifically, for failing, when the Republicans were in the majority of the House and Senate until the election of last year, to veto any spending bill.

"Congress and the president," Greenspan writes, "viewed budgetary restraint as inhibiting the legislation they wanted. 'Deficits don't matter,' to my chagrin, "became part of Republicans' rhetoric." And he goes on to say they deserve, the Republicans, to lose the majorities in the House and Senate because they were spending so wildly.

PENCE: Well, I think you know that I would strongly agree with him on that, Wolf. I said after the 2006 elections that Republicans didn't lose their majority. We lost our way.

And it was in the commitment and the practice of principles of limited government, expanding education spending, creating new entitlements, the earmark culture. I welcome Chairman Greenspan's voice on this. Could have used it during some of those debates, but it's welcome going forward as the Republican Party is in the process of hewing back to those roots of fiscal discipline and reform.

BLITZER: And now that the Democrats, Congressman Lantos, the Democrats are the majority in the House and Senate, it's going to be a lot easier politically for the president to start vetoing some of your spending bills.

LANTOS: Well, if I may comment on Mike Pence's observation, he's a very good friend of mine. The problem is not that we are spending too much money on education. The problem has been the pathological opposition of this administration to taxing corporations and wealthy individuals whose tax burden has been diminished dramatically during this administration.

Education spending is not driving us to bankruptcy. It's the unwillingness of this administration to have those who are capable of carrying the tax load to be exempt. That is the fundamental economic dilemma of this country.

BLITZER: The other argument, Congressman Pence, is that \$2 billion or \$3 billion, \$100 billion a year, \$150 billion a year spent on the war in Iraq, that's taxing the American taxpayer.

PENCE: Well, there's no question that the financial obligations of war always tax a nation. They did all the way back in the Lincoln administration. But I want to agree -- and I haven't read the book yet and I intend to read it -- I agree with the supposition that -- I don't think the American people so much chose the Democrat Party's big government agenda as that I don't think they hired them so much as they fired us. And Chairman Greenspan's challenge that my party return to its roots of fiscal discipline and reform is welcome.

BLITZER: Congressman Pence, thanks for coming in. Chairman Lantos, thanks to you as well. Up next, some tough talk from the man on the front line, the U.S. ambassador to Iraq, Ryan Crocker, in our best of "The Situation Room" from this week. Stay with us. We'll be right back.

(COMMERCIAL BREAK)